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Governor Mike Dunleavy
STATE OF ALASKA

September 8, 2022

The Honorable Peter Micciche
Senate President
Alaska State Legislature
State Capitol, Room 111
Juneau, AK 99801-1182

SEP 09 2022

Dear President Micciche:

Under the authority vested in me by Article II, Section 15, Constitution of the State of Alaska, I have vetoed the following bill:

HCS CSSB 45(FIN) AM H

"An Act raising the minimum age to purchase, sell, exchange, or possess tobacco, a product containing nicotine, or an electronic smoking product; relating to selling a tobacco product; relating to possession of tobacco, electronic smoking products, or products containing nicotine by an underaged person; relating to the definition of 'nicotine'; relating to transporting tobacco, a product containing nicotine, or an electronic smoking product; relating to the taxation of electronic smoking products; relating to electronic smoking products; relating to the marketing of electronic smoking products; relating to tobacco products; and providing for an effective date."

Senate Bill 45 sought to create parity amongst tobacco users by expanding an excise tax on tobacco products other than cigarettes (OTP) to include electronic smoking products (ESPs). ESPs are currently not subject to state-level taxes as they are not considered cigarettes or OTP under current law, and this bill would tax them at 35% of wholesale value.

There were many conversations about what an appropriate level to tax would be, but ultimately a tax increase on the people of Alaska is not something I can support.

While SB 45 would also increase the age in which a person can purchase nicotine products from 19 to 21, it is not possible to separate out components of a bill once it has been passed by the Legislature. Therefore, I have chosen to veto HCS CSSB 45(FIN) AM H.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mike Dunleavy".

Mike Dunleavy
Governor

Enclosure